SOUTH KOREA

- I. The political situation in South Korea remains unsettled and sporadic disturbances are occrring. Acting chief of state Huh Chung may find it increasingly difficult to maintain orderly processes of government with the approach of new National Assembly elections expected in July.
 - A. Muckraking involving persons formerly and still in the government service has increased and appears likely to continue.
 - B. Huh may be forced to expand purge of civil and military officials tainted by association with the Rhee regime.
- II. Situation may be further unsettled by a possible rift between Huh and Defense Minister Yi Chong-Chan. Yi unhappy that Huh permitted Rhee to flee, and he is angered by Huh's failure to consult cabinet before appointing General Chong Il-kwon, a Rhee lieutenant, as ambassador to US.
- III. National Assembly is moving to meet popular desires for reform.
 - A. Amendment of constitution to establish cabinet-type government probably will be completed this month.
- 1. In our latest estimate (1 June), we conclude that ROK will survive the immediate crisis and lay foundations for govern-OGA review completed

 ment acceptable to Korean public despite the difficult political problems which now exist.

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